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Bidder's return irritates Trump

▶ TRUMP *from 1A*

site into a "super luxury house" that would be the "finest anywhere in the United States." He might build another house before flipping the entire package.

"I've known about this house for quite some time," Trump said. "It's probably the best piece of land in Florida — and probably the country — for luxury real estate."

Although Trump said he could subdivide the property into nine lots, Palm Beach Mayor Lesly Smith said zoning regulations allow for only two houses — and maybe a third. Smith said she's not worried about Trump's plans.

"He's been a very good property owner in the town of Palm Beach," she said. "He does his projects very well. He's a perfectionist."

Monday's auction took place at U.S. Bankruptcy Court in West Palm Beach as part of Gosman's Chapter 7 bankruptcy case. Proceeds from the sale will go into escrow for eventual distribution to creditors.

The auction began at exactly noon after Judge Steven Friedman dismissed an objection from an attorney representing money manager Jeffrey Epstein. The lawyer argued unsuccessfully that Trump was not a qualified bidder because his contract stipulated that he would not close on the sale unless title insurance was in place beforehand.

With Trump listening via conference call, Epstein began the bidding at $37.25 million — $250,000 higher than Trump's initial offer.

Mark Pulte, son of the founder of home-building giant Pulte Homes, passed when his turn came, letting lawyers for Trump and Epstein bid against each other until the price hit $38.85 million.

Pulte then bid $39.1 million, briefly raising the ire of Trump, who believed that Pulte had given up his right to bid by passing the first time.

But Friedman allowed the offer to stand, and Pulte and Trump went back and forth until Pulte dropped out at $41.1 million. Epstein, a part-time Palm Beach resident, bowed out at $38.6 million.

BIG SPENDERS: Former health-care magnate Abe Gosman (left) built the estate after paying $12 million for the land in 1986. Donald Trump plans to sell it.

Friedman closed the bidding 10 minutes after it started, leaving Trump with the right to buy the 29,000-square-foot home (a typical Palm Beach County single-family house is about 2,200 square feet). The property also has a tennis house, a pool house and 1930s-era service quarters.

The closing could take place within a week but probably won't happen until next month.

Trustee Joe Luzinski and creditors said they were pleased with the outcome.

"We knew we were dealing with some substantial people . . . who were going to bid it up a bit," Luzinski said.

"The system worked," said Charles Tatelbaum, a lawyer for creditor JPMorgan Chase Bank. "In bankruptcy court, the idea is to get the most for creditors, and that's what happened."

The auction proved to be a bonanza for creditors, Luzinski said, noting that the highest offer former listing agent Sotheby's International Realty received was $32 million. Sotheby's won't receive a commission, he said.

Pulte, 42, of Boca Raton, said he figured Trump wouldn't back down Monday.

"I got the feeling he was willing to go a lot higher, and I didn't want to chase it," Pulte said.

Pulte said Gosman asked him before the auction whether he would be willing to let him stay in the mansion after the closing until he decides where he wants to move. Trump and Luzinski said they have had no such discussions with Gosman.

Gosman, 75, had the house built after paying $12.1 million for the land in 1986.

The former health-care magnate declined interview requests before and after the auction Monday. He was at the courthouse but left before the auction took place.

The $41.35 million price tag eclipses the $30.35 million sale of Lowell "Bud" Paxson's Palm Beach home and guest house but falls short of the $45 million that Virginia home builder Dwight Schar paid for Ron Perelman's 26,000-square-foot estate, Casa Apava, a designated landmark.

Schar also paid $18.6 million for a lakefront lot across the street from the main house, for a total of $63.6 million. Insiders say Schar spent a total of $70 million for his new property, making it the priciest residential sale in U.S. history.

Gosman once had a fortune that *Forbes* magazine estimated at $480 million. He voluntarily filed for Chapter 11 bankruptcy protection in 2001, listing assets of $250 million and liabilities of $233.6 million.

When a judge ruled that Gosman had to give up all of his exempt assets to creditors if he wanted to reorganize under Chapter 11, Gosman converted the case to Chapter 7 liquidation.

Last year, U.S. Bankruptcy Judge Larry Lessen ruled that Abe and Lin Gosman's marriage is invalid because Florida law does not recognize a Dominican Republic divorce that Lin Gosman tried to obtain from another man, Michael Castre.

The judge's decision was a huge victory for creditors because it prevents Abe Gosman from protecting assets by claiming joint ownership with his wife. Gosman's assets, which include an extensive collection of artwork, could total as much as $70 million and will be sold later.

Without Lessen's ruling, Luzinski would have had a much harder time selling Gosman's estate, said David Cimo, special counsel for the trustee.

"We would have been thwarted . . . or at least substantially impaired," Cimo said.

The trustee alleged during a weeklong trial in May that Gosman fraudulently gave his wife an ownership interest in his home and other belongings only to avoid losing them in bankruptcy. Gosman has denied any wrongdoing, saying he made the property transfers in 1999, well before he filed for bankruptcy.

Lessen is expected to rule in the next two months whether Gosman made improper transfers, a decision that will affect how much money will be available to creditors.

Cimo acknowledged that Monday wasn't the best of days for the Gosmans but said they were willing to move forward, in part because the upkeep of the estate now exceeds their means.

"This is not a happy occasion for them, but at least we're moving to the next level," Cimo said. "That's not a house you want to live in unless you're making large amounts of money like Donald Trump."

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Rice expected to succeed Powell

Secretary of state, 3 other Cabinet members resign

By ELISABETH BUMILLER and RICHARD W. STEVENSON
The New York Times

WASHINGTON — Secretary of State Colin Powell announced his resignation Monday and administration officials said his successor would be Condoleezza Rice, President Bush's national security adviser and his closest confidante in shaping one of the most assertive U.S. foreign policies in recent history.

Powell, who had deep misgivings about the war in Iraq but acquiesced to the president's wishes and made the administration's case for the invasion at the United Nations, was described by friends as worn down and tired of his battles with Defense Secretary Donald Rumsfeld.

■ Rice, Bush share one vision, 8A

His resignation, which he said was reached by "mutual agreement" with Bush, had long been expected.

Administration officials said that Bush might name Rice as early as today and that she probably would be succeeded as national security adviser by her deputy, Stephen Hadley.

Three other members of President Bush's Cabinet — Agriculture Secretary Ann Veneman, Education Secretary Rod Paige and Energy Secretary Spencer Abraham — announced their resignations in what White House press secretary Scott McClellan said was a "continuing process" of major changes before the second term begins in January.

People close to Rice said she had been interested in succeeding Rumsfeld as defense secretary or

See RESIGNATION, 8A ▶

PRESIDENTIAL BACKING: Powell had misgivings about the war in Iraq, while Rice staunchly supported the effort.

Charter school in financial straits

Among other shortcomings, Boca's Spanish Academy owes $191,700, an audit reveals.

By KIMBERLY MILLER
Palm Beach Post Staff Writer

Spanish Academy Charter School in Boca Raton racked up $191,700 in debt since it opened last fall, including money owed to the IRS and to the school's founder, who said he worked several months for free.

The debt incurred by the school was revealed in a stinging audit released Monday by the Fort Lauderdale-based accounting firm Millward & Co.

The audit also found Spanish Academy had not obtained legally required tax-exempt status, had no way to track employee hours, operated using 10 different bank accounts and had no oversight by its governing board.

It is the second charter school operated by former Collier County school administrator Leo Cardona to face financial problems. Cardona founded Spanish Academy and acted as principal of both Spanish Academy and TerraNova Academy last school year. TerraNova closed during the summer after the dissolution of its governing board and an audit that found $90,000 in questionable payments and debt.

The federal government has criticized Florida for its lax accountability over charter schools and the state has responded by saying better direction will be given to school districts.

"I had no idea the school was in debt," said Pablo Vilar, former vice chairman of Spanish Academy's governing board, which is expected to approve the school's budget and monitor accounts. "According to my

See CHARTER, 12A ▶

Insurgents counterattack across Iraq

PATRICK BAZ/AFP/Getty Images

Marines secure an area of Fallujah Monday. In the south of the city, insurgents hiding in bombed-out buildings attacked U.S. forces, killing at least two Marines.

Fallujah rebels fighting to last man

By EDWARD WONG and JAMES GLANZ
The New York Times

■ Slaying of hurt Iraqi probed, 4A

BAGHDAD — A rebel counteroffensive swept through central and northern Iraq on Monday as U.S. troops struggled to flush the remaining insurgents from the rubble-strewn streets of Fallujah.

Guerrillas in Baqouba, Mosul, Kirkuk and Suwayrah stormed police stations, set oil wells ablaze and struck at U.S. military convoys with suicide car bombs, routing Iraqi security forces in several coordinated assaults and severely damaging parts of the country's petroleum-based economic lifeline.

A five-hour gun battle broke out in the southernmost reaches of Fallujah on Monday morning, a day after tanks and other armored vehicles fought their way through the area and had seemingly quashed all remaining resistance to the weeklong offensive.

But the rebels had remained hidden in the bombed-out landscape of the district and came out fighting around dawn, killing at least two Marines.

"They're clearly fighting until the last man," said Lt. Col. Gareth Brandl, commander of the 1st Battalion, 8th Regiment, 1st Marine Expeditionary Force.

The wave of attacks across the Sunni Muslim heartland suggested that guerrillas were ready to carry on the war despite the loss of their safe haven in Fallujah.

The most intense fighting took place in the morning in Baqouba, a city northeast of the capital. Insurgents there ambushed U.S. troops near a downtown police station and laid siege to another station in a southern suburb.

As the Americans battled near the first station, more insurgents began firing down on them from a nearby mosque, said Capt. Bill Coppernoll, a spokesman for the Army's 1st Infantry Division. The fighting became so intense that U.S. jets dropped two 500-pound bombs on the insurgents, and up

See IRAQ, 4A ▶

Trump snags Gosman estate for $41 million

By PAUL OWERS
Palm Beach Post Staff Writer

WEST PALM BEACH — When it came time to bid Monday for the palatial Palm Beach digs of Abe Gosman, The Donald was not about to be trumped.

"Nobody was going to outbid me," the brash developer-turned-TV-personality said from his New York office.

Trump bested two other bidders with a $41.35 million offer for the 43,000-square-foot, seven-bedroom estate on 6 oceanfront acres along the storied "Raider's Row."

But Trump, 58, proud possessor of Mar-a-Lago, has no plans to live in the Gosman home at 513 N. County Road. He wants to — what else? — sell it and make more money.

The star of the mega-hit *The Apprentice* said he intends to redevelop the

See TRUMP, 7A ▶

GREG LOVETT/Staff Photographer

BIDDING WAR: The auction was quick for the 43,000-square-foot, seven-bedroom estate on 6 oceanfront acres with a 29,000-square-foot home, tennis house and other amenities.

'It's probably the best piece of land . . . for luxury real estate.'
DONALD TRUMP

Commission seating real chair challenge

Tony Masilotti must try to balance conflicts and personalities.

By DEANA POOLE
Palm Beach Post Staff Writer

Two-term Commissioner Tony Masilotti takes over as county commission chairman today. His first task: presiding over musical chairs.

The switcheroo in the commission seating plan, a time-held tradition with the changing of the chair, will happen while commissioners schmooze over coffee and soft drinks in the lobby. When they return to their chambers, the name plaques on the dais will be changed.

With Masilotti sitting at the center, there are 720 different seating arrangements possible for the remaining six commissioners. It's unlikely that the combination will be left to simple chance. Although seemingly an academic task, picking a smart seating chart can help prevent petty arguments. Done badly, it can create a gavel-pounding mess.

See COMMISSION, 6A ▶

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Vol. 90 No. 199, 6 sections

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